

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

June 27, 1974

1:00 P.M.

Electric Auditorium
301 West Avenue

The meeting was called to order with Mayor Butler presiding.

Roll Call:

Present: Councilmen Binder, Dryden, Friedman, Handcox, Lebermann,
Mayor Butler

Absent: Mayor Pro Tem Love

The Invocation was delivered by REVEREND MERLE G. FRANKE, First English Lutheran Church.

RECOGNITION

Mayor Butler read and then presented a resolution signed by the Council to Mr. Ken Wallingford, recently returned Prisoner of War in the Vietnam conflict, as a pledge of support of the Florida Senator Edward J. Gurney amendment to bring economic pressure on all Communist nations until North Vietnam allows an accounting of Americans still Missing in Action. He noted that a copy of this resolution was being sent to Senator John Tower and Senator Lloyd Bentsen strongly recommending their fullest support of the Gurney Amendment among their colleagues. Mayor Butler wished Mr. Wallingford success in this very important effort. Mr. Wallingford thanked the Mayor and Council and noted that from his sources of information there were still 100 Americans in North Vietnam. He was appreciative of the Council's efforts and the stand they have taken for the past year.

PRESENTATION

Mr. George Covert, representing Austin Automobile Dealers Association, appeared before the Council to make a presentation in connection with the East Austin junk car clean-up project. He stated that after selling the abandoned vehicles, the profit had been \$413.00; and he presented the Council with this amount. Mayor Butler thanked Mr. Covert and noted that the money would be used for additional playground equipment at the Pan Am Recreation Center.

APPROVAL OF MINUTES

Councilman Lebermann moved that the Council approve the Special Meeting Minutes of June 20, 1974 (10:30 a.m.) and the Regular Meeting Minutes of June 20, 1974 (1:00 p.m.). The motion, seconded by Councilman Dryden, carried by the following vote:

Ayes: Mayor Butler, Councilmen Dryden, Friedman, Handcox,
Lebermann
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilman Binder

ANNOUNCEMENT

At this point, Mayor Butler welcomed Councilman Dryden back from his vacation in Africa.

HEARING ON SOUTHERN UNION GAS COMPANY RATE INCREASE

Mayor Butler opened the public hearing scheduled for 1:00 p.m. on Southern Union Gas Company's rate increase and a requested amendment of a Purchase Gas Adjustment Clause. Mr. Don Butler, City Attorney, reviewed this by stating that the City had retained the firm of Hess & Lim in May in anticipation of this being filed, which was done so on June 3; and then they requested a public hearing be set. He added that the City and Southern Union agreed to the procedure that might be followed with Southern Union presenting their direct case with the representatives of the rate payers. He noted that Hess's presentation would be made at a later date and that last week the Company had requested some immediate action on the Purchase Gas Adjustment Clause. Because Mr. Hess was out of town on business, another member of the firm, Mr. Fred Saffer, was present.

MR. FRANK DENIUS, representing Southern Union, stated that they did not expect any action today on their application for the 13.73% rate adjustment, and he requested that the Council listen to their position and the testimony in support of the adjustment. He pointed out that Southern Union's relationship and transactions with Lo-Vaca Gathering Company and Coastal States Gas were strictly "at arms length." In reference to the Purchase Gas Adjustment Clause (PGAC), he noted that it was basically the same as the Council approved in May, 1971, except for the time of flow-through of increased cost, unaccounted for gas, taxes, etc., and that representatives of the Company were available to meet with the City's representatives to answer any questions regarding the implementation of the PGAC. He summarized their requests as follows:

1. Allowance for unaccounted for gas.
2. Change in the time schedule of rates from monthly to every 6 months for the benefit of larger customers.
3. Ability to recoup City taxes of 2% and 1.997% for State.
4. Council set the date for continuation of hearing for further review.

He noted that a prepared documentation of testimonies from the witnesses in Southern Union's behalf would be furnished to the City Clerk's Office.

Mr. Denius introduced MR. ROBERT M. LACZKO, District Manager of Southern Union. Mr. Laczko indicated that the gas rates presently in effect were established in May, 1971, after a thorough review of the Company's revenue requirements, based upon its 1970 operating experience and that the rate ordinance adopted at that time imposed a three-year moratorium on any further increase in rates, except for increases in costs of purchased gas. Because during this period changed conditions had resulted in a serious erosion of the Company's earnings, he indicated that this was the reason an application requesting an adjustment in rates had been filed. He noted that the 13.73% increase would include 60 cents per Mcf in gas cost from Lo-Vaca/Coastal, and the average residential customer would have to pay only about \$1.50 per month more. He reviewed the basis for their request:

1. Have had to expand their facilities to accomplish service for the increase of 50,000 new customers during the past 25 years. He noted that this included operations outside the corporate limits such as West Lake Hills, Rollingwood, and Sunset Valley.
2. The prices of regularly purchased items have gone up.
3. Have in excess of 250 employees, with an increase in wages and salaries by more than 34% since 1970.
4. In 1973 the Company paid \$588,856.94 in City taxes, and total tax payments other than federal income taxes exceeded \$1 million.
5. Inflationary trends now require an investment of over four times the average investment in the individual facilities installed for each of their customers.
6. The stringent requirements which the federal government's Department of Transportation, Office of Pipeline Safety, have placed upon operators of gas distribution systems have contributed to the need for additional equipment and facilities and for the training of employees in new rules, regulations, and the safe and proper operation of such equipment and facilities.
7. The high diversity between summer and winter gas service demands effects the cost of providing gas service.

He called the Council's attention to a letter dated June 3, 1974, written by himself and indicated that it was further support of his oral testimony. In conclusion, he stated that during the Company's operations they had used their best efforts at all times to provide good, reliable gas service to the people of Austin at the lowest reasonable rates; and in order for them to continue providing this type of service, he felt that an adjustment in rates was now necessary.

In response to Councilman Binder's question, Mr. Laczko indicated that the gross revenue for 1973 was \$11,169,910. In response to Mr. Butler's question with regard to the breakdown of service inside the limits and outside, Mr. Laczko stated that he did not have this; but percentage wise, most of the service was within the limits. Mr. Butler asked Mr. Laczko if Southern Union's only special contract was the one with the University of Texas; and he indicated that it was, and with regard to its carrying its share of the load on the increase, he indicated that this was not part of the proposal but that it would follow immediately. Mr. Denius announced that in connection with the physical breakdown inside and outside the limits, there would be an investigation of this, at which time the Council would be provided the information.

Mr. Denius introduced MR. JOHN D. McCLELLAN, representing the firm of Haskins & Sells, Certified Public Accountants, as a Special Consultant on regulatory matters, and who has assisted Southern Union in the Lo-Vaca case. Mr. McClellan indicated that he had been requested by the Company to prepare and submit various financial schedules showing the existing rate of return and the required level of increase in revenues to produce a return of 8% on the fair value rate base at December 31, 1973. He reviewed four exhibits reflecting the 1973 test period cost of service and revenue deficiency at existing rates:

Exhibit A: reflects a summary of the earnings of the Austin system for the 12 months ended December 31, 1973, with adjustments laid out to reflect the appropriate changes to the conditions as experienced.

Exhibit B: reviews in detail Exhibit A's adjustments with Total Revenue Adjustments in the amount of \$7,003,790 and \$7,386,323 for Total Expense Adjustments.

Exhibit C: develops a fair value rate base of \$29,978,744, which is based on the components of net plant in service utilizing a weighting of 60% of the original cost plant and 40% of the reproduction cost new (RCN) plant, plus allowances for Construction Work In Progress (CWIP), working capital and Contributions and Advances.

Exhibit D: displays the revenue deficiency and the revenue increases that would have been realized at the proposed rates for the 12 months ended December 31, 1973, with a revenue deficiency under the present rates in the amount of \$2,357,698.

In response to Mayor Butler's question with regard to the amount of increase in wages and bonuses levied in the past year for top management, Mr. McClellan did not have the figures and stated they would be supplied at a later date, but he noted that they were staying within the guidelines of the wage and price control. In reference to Exhibit A, Line 8 (Administrative and General Expense), Mr. Laczko mentioned that this covered public utility accounting, employee benefits, and not administrative salaries; and in response to Mayor Butler's question as to where the figures for corporate officer expenses were included, Mr. Laczko clarified that it was included in that Line but not exclusively. In connection with this, Councilman Friedman requested that they break down the items into various components; and Mr. McClellan indicated that this would be done.

With regard to Exhibit A, Line 7 (Gas Sales Expenses), and in response to Mr. Butler's questions, Mr. McClellan indicated that this did include advertising costs; and he stated that he would furnish the figures later as to how much of that was promotional type advertising. In response to Mr. Butler's further inquiries, Mr. McClellan stated that in addition to requesting a return on CWIP, they were also capitalizing the interest costs and deferring them and would recover them through future rate proceedings. He indicated that he had not been involved in the final determination with regard to the Amortization of Estimated Rate Case Expense; and Mr. Laczko stated that Mr. A. S. Granier, Vice President of Southern Union, had produced the estimate. Mr. McClellan stated that he could provide the Council with a breakdown on this. In response to Mr. Butler's further questions, Mr. McClellan noted that contributions from customers were based on year end as opposed to average and that income taxes were based on calculated taxable income at a statutory rate as opposed to an effective rate for the utility division only.

Mr. Denius introduced MR. WILLIAM W. EYERS, Director of Regulatory Services at Commonwealth Services, Inc., Washington, D. C. (a management and engineering consulting firm), who appeared to discuss the rate base, rate of return, and rates. He began his presentation by quoting, "a public utility is entitled to an opportunity to earn a fair return on the value of its property devoted to the public service." He stated that the final results of the determination of fair value rate base were shown in the Company's Exhibit 3, with a 60%/40% weighting of RCNLD and OCLD. He noted that to this figure were added the amounts for construction work in progress and a deduction of amounts for contributions and advances made by customers for a fair value rate base of \$29,978,794.

With regard to the rate of return, he noted that in the utility industry the most commonly used common denominator to gauge return was the rate of return, the net return divided by the rate base; and in the test year 1973, the Company earned a rate of return of only 4.74% on its operations. He felt that by any standard today this was unduly low. He stated that after considering the many factors that must go into determining a fair return, it should:

1. Enable the company to maintain its credit.
2. Attract additional capital under favorable conditions.
3. Enable the company to maintain its financial integrity.
4. Be commensurate with earnings on investments in other undertakings of similar risks.
5. Be an incentive to efficient management.
6. Be in the public interest.
7. Will not penalize past investors.

After further review of this matter, he stated that he was in a position to recommend a fair rate of return for the Austin operations of Southern Union and that it was his opinion at this time that a rate of return in excess of 8% was justified and that an 8% return was clearly at the lower limit of a fair return. He noted that the test year used in this proceeding was the

calendar year 1973, and none of the inflationary pressures experienced during 1974 would be reflected in the Company's operating expenses and added that future inflation would continue to erode this return even more.

In discussing the rates and rate design, he stated that when the rate base and rate of return had been found, the revenue deficiency could be determined (as shown on Line 5 of Exhibit D of the application) and was the starting point for the rate design. As shown on Line 8 of Exhibit D, he stated that the proposed rates produced an increase of revenues slightly less than the total required for an 8% rate of return. In designing the rates, he indicated that the required increase was distributed to all rate schedules except the contract rate with the University of Texas and that in distributing this increase, proportionately larger increases were provided for those customers using greater volumes of gas. He reviewed the rate design by noting that approximately 96% of the Company's General Service customers used less than 25 Mcf per month and that these customers were now billed at the same rate for all except the first 1 Mcf of usage. He further noted that minimum bill provisions had also been changed and that for the General Service Rate the minimum bill had been increased to \$2.43 (the rate for the first 1 Mcf of gas) to reflect more adequately the customer costs of billing and collecting, as well as the investment costs (return, depreciation, and taxes) of facilities serving minimum use customers. For the Large Volume Rate, he stated that the new minimum bill provided for a charge for 300 Mcf of gas rather than a dollar amount. He further added that the Public School Rate had been increased to equal the lowest rate step of the Large Volume Rate. In conclusion, he stated that it was his opinion that the proposed rates were fair, just and reasonable.

In response to Councilman Friedman's question with regard to Southern Union's "tightening its belt," Mr. Evers stated that there was a very substantial increase in the change in economic conditions throughout the country and that Southern Union was "tightening its belt" under these conditions. In connection with that, Mr. Denius quoted from Section 9 of the Gas Franchise. In response to Councilman Friedman's further inquiries, Mr. Evers checked the earnings of the other utilities primarily which were considered as having an equivalent risk as Southern Union and that they were not dealing with Lo-Vaca as their gas supplier. In response to Mr. Butler's question, Mr. Evers noted that there was no proposal for the University of Texas contract and that the revenue would come from General Service customers. There was discussion with regard to Southern Union's stock being below average. Mr. Denius reiterated at this point that the University of Texas contract would be reviewed as well as the one with the Austin Independent School District.

Mr. Denius introduced PROFESSOR HAROLD A. WOLF, Professor of Finance at the University of Texas, who indicated that his purpose in being present was to show that the growth rate in Austin has declined and that this could be determined by reviewing labor force statistics, the number of building permits, the number of dwelling units, and public school enrollment. In regard to the attitudes of the four major pension funds, he indicated that none held Southern Union stock and that none of the bond managers would consider the purchase of a utility bond with lower than "A" rating.

Mayor Butler asked the City Attorney what his procedural recommendations would be and whether or not there were certain parts of this request that he could recommend. With regard to the overall rate increase, Mr. Butler stated that he was not in a position to make any recommendation until the firm of Hess & Lim had an opportunity to study this further and added that Mr. Saffer would probably like to get with the representatives of Southern Union after the meeting for additional information. He expected that on the overall rate increase there would be some differences of opinion; but as far as the Purchase Gas Adjustment Clause was concerned, the three-year moratorium had expired, and he had no objections and recommended that Southern Union be allowed to pass on its lost and unaccounted for gas and taxes that it was having to absorb. He noted that he could not recommend their request for six months' estimate, and he did not think it was necessary at this time. With regard to the lost and unaccounted for taxes, he stated that this was normal procedure and that there would have to be an amendment to the ordinance at a later date.

In response to Mayor Butler's question, the City Attorney did not think he could recommend a date for the next hearing at this point; and Mr. Denius requested that this date be furnished as soon as possible. Mr. Butler suggested that Southern Union get together with Mr. Saffer and work out an agreeable date. Mr. Denius announced that they would report to the Council as soon as a date had been set.

ANNEXATION HEARING

Mayor Butler opened the public hearing scheduled for 1:00 p.m. to consider annexation. In response to Councilman Binder's question, Mr. Dick Lillie, Director of the Planning Department, indicated that this was part of the annexation plan as instituted by Councilman Lebermann and that he expected this to continue throughout the area. Councilman Handcox moved that the Council close the hearing and direct the administration to institute annexation proceedings to annex the following:

124.38 acres of land out of the T. J. Chambers Grant, known as CAT MOUNTAIN VILLAS, a proposed subdivision. (Requested by Bryant-Curington, Inc., Consulting Engineers, representative of Cat Mountain Properties and David B. Barrow, owners.)

The motion, seconded by Councilman Lebermann, carried by the following vote:

Ayes: Councilmen Binder, Friedman, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Abstain: Councilman Dryden

It was noted that Councilman Dryden lived in the area.

POLICE RECLASSIFICATION PLAN

It was noted that Mr. Roger D. Napier, President of Austin Police Association, had requested to appear before the Council to discuss police salaries. However, Sgt. John Pope, Vice-President, appeared in his behalf. He requested that the Council make their presentation. In response to this, Mayor Butler noted that this was continued from June 13, 1974, at which time

the Council had approved a reclassification plan which involved an increase in the police salaries in the amount of \$140,000 and \$355,000 for the firefighters. He further noted that at that meeting the Council had agreed to further review the salaries, with Councilman Friedman submitting a proposal at that time. Mayor Butler presented the Council and the Police Association his proposal for police salaries, which involved an additional \$161,080 over the present salary, and requested that no firm decision be made at this time. He further requested that the City Manager and his staff check this proposal and bring a report back to the Council at the next meeting and that this feasibility study determine whether or not the same adjustments could be made for the Austin Firefighters.

<u>Classification</u>	<u>Current</u>	<u>Councilman Friedman's</u>	<u>Mayor Butler's</u>
Cadet	\$ 644	\$ 644	\$ 644
Patrolman (Probationary)	723	723	723
(Six months)	780	800	830
Senior Patrolman (Two years)	843	860	880
(Three years)	N/A	900	--
Sergeant	935	950	960
Lieutenant	1,015	1,050	1,015
Captain	1,100	1,150	1,100
Major	1,220	1,250	1,220
Deputy Chief	1,293	--	1,293

In response to Councilman Friedman's question, City Manager Davidson stated that it would require an estimated \$130,000 to be applied toward the Police Department's increase and \$118,000 for the Fire Department should the Council approve Councilman Friedman's proposal. There was discussion between Councilman Friedman and City Manager Davidson with regard to final figures involved in the Friedman proposal, and Mr. Davidson pointed out that the actual total amount of money involved would depend upon the actual number of policemen employed at the time.

Councilman Lebermann felt that whatever plan was finally adopted should be applied to the Firefighters as well as the Police Department and requested that the City Manager come back with compilations for both plans.

Motion

Councilman Friedman withdrew his plan and moved that the Council adopt Mayor Butler's proposal with the inclusion of the salary of \$900 for a three-year Senior Patrolman and also a comparable proposal for the Firefighters. The motion died for lack of a second

Councilman Binder wondered if there were any possibility of Mayor Butler and Councilman Friedman submitting a joint plan. Councilman Handcox felt that it was in order for the City Manager to review these plans to determine their feasibility. In response to Councilman Friedman's question with regard to whether or not the feasibility had been studied on this plan, City Manager Davidson indicated that it had been his understanding this was to be handled in a joint manner with Mayor Butler's proposal, which he had just received. In response to Councilman Binder's question, Mr. Pope stated that the recommendation for the troops on the streets was what they were basically asking for. Mayor Butler noted that he had not had an opportunity to meet with the Firefighters in regard to desired increases.

Mr. Thomas J. Harwell appeared at this point to reiterate statements he had made on June 13 on behalf of the Police Department in connection with the fact that he felt the police were underpaid. He felt that many policemen were quitting to get higher paying jobs and that the City was losing a lot of experience. He asked the Council to keep this in mind.

Mr. Joe Colbert, attorney representing the Austin Police Association, indicated that it had been his interpretation two weeks ago that something would be studied and done today in terms of additional increases. He added that it had been his understanding that they would have an opportunity to review Mayor Butler's proposal in advance. He requested that the Council consider Mayor Butler's proposal.

Motion

Because he felt that the Council was trying to act responsibly, Councilman Lebermann moved that the Council postpone this until July 11, 1974, for continued preparation of the proposals for the Police Department and the Fire Department. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Dryden, Handcox, Lebermann, Mayor Butler,
Councilman Binder
Noes: Councilman Friedman
Absent: Mayor Pro Tem Love

Statements

At the time Councilman Dryden voted affirmatively, he assured the patrolmen that the Council was going to do something and increase their pay status and that this should include the Firefighters.

Councilman Friedman prefaced his negative vote by stating that this was an unwarranted delay.

Councilman Lebermann felt that the plan should be made retroactive to July 1, and City Manager Davidson indicated that the reclassification plan had been made retroactive to July 7. It was the consensus of the Council that the increase be made retroactive to July 7. Mr. Colbert announced that he did not believe the policemen were aware of the July 7 date.

Mr. Danny Stamper, President of the Austin Firefighters Association, thanked the Council for the consideration that had been given two weeks ago and appreciated the work that had been put into this plan and for any further consideration that could be given.

RELEASE OF EASEMENTS

Councilman Lebermann moved that the Council adopt a resolution authorizing release of the following easement:

The west 184.97 feet of the north five (5.00) feet of LAKEWAY SCHOONER COURT, a subdivision. (Requested by Scott Romney, President of Lakeway Company, owner.)

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Lebermann moved that the Council adopt a resolution authorizing release of the following easement:

The south seven and one-half (7.50) feet of the west 180.00 feet of Lot 6 and the north seven and one-half (7.50) feet of the west 180.00 feet of Lot 7, Block J, LAKE RIDGE ESTATES, SECTION FOUR, from the Public Utilities Easement fifteen (15.00) feet in width centered on the common lot line between said Lots 6 and 7. (Requested by Lynton Land, et ux, Judith Land, owners.)

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Lebermann moved that the Council adopt a resolution authorizing release of the following easement:

A sanitary sewer easement five (5.00) feet in width which extends from a point in the north line of Nelray Boulevard 190.21 feet east of the east line of Lamar Boulevard in a northerly direction 150.00 feet through the interior of a certain unplatted tract of land out of the JAMES P. WALLACE SURVEY NO. 57. (Requested by B. F. Priest, Registered Public Surveyor, as representative of C. H. McDonald, owner.)

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

LICENSE AGREEMENTS

Councilman Friedman moved that the Council adopt a resolution granting the following license agreement:

RONALD E. TYNES - Permitting encroachment by a pedestrian bridge over a drainage easement twenty-five (25.00) feet in width in Lot A of ARROYO DE ORO, a resubdivision. (Requested by S. I. Morris Associates, Architects for Remington's, Inc., of Houston, Texas, in behalf of Ronald E. Tynes of Austin.)

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Friedman

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution granting the following license agreement:

RUSSO PROPERTIES, INC., & CITY OF AUSTIN - Permitting encroachment by a proposed office building (Chevy Chase V) including structural column foundations and concrete walkway, in and upon and across a portion of a sanitary sewer easement ten (10.00) feet in width in Lot 1-D, RESUBDIVISION LOT D, CHEVY CHASE CENTER/AUSTIN. (Requested by Russo Properties, Inc., owner.)

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Friedman

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

CONTRACTS AWARDED

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

CLEGG-AUSTIN, INC.
11 West Anderson Lane
Austin, Texas

- Library Furniture for Library
Department. Items 1 through 22 -
\$11,694.90

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman,
Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

LIBRARY BUREAU DIVISION
OF REMINGTON RAND
3309 Richmond Avenue
Houston, Texas

- Library Fixtures & Shelving,
Library Department.
Items 1 through 11 - \$5,817.00

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman,
Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

PRIESTER-MELL CO., INC.
601 East 56th Street
Austin, Texas

- Capacitors for Electric Department
Item 1; 15 ea. @ \$1,340.00
Item 2; 30 ea. @ \$2,030.00
Item 3; 12 ea. @ \$ 100.00
Item 4; 48 ea. @ \$ 140.00
Total - \$88,920.00

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman,
Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

MANG CONSTRUCTION COMPANY
13629 Research Boulevard
Austin, Texas

- For various alterations to the
Mueller Airport Terminal Build-
ing - \$14,498.00

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman,
Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

RAPISTAN, INC.
3024 Avenue E East
Arlington, Texas

- For Baggage Claim Equipment for
the Terminal Building at Mueller
Airport - \$14,147.00

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman,
Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

JACK A. MILLER, INC.
P. O. Box 9776
Austin, Texas

- For Neighborhood Tennis Court
Improvements - \$202,500.00

In response to Councilman Lebermann's question, Mr. Jack Robinson, Director of Parks and Recreation Department, stated that it would require from \$7,000 to \$10,000 extra for lighting for a double court and that the courts would be used very heavily, and it would be a mistake not to light them. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman,
Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

TERRY EDWARDS

- For construction of street improvements (assessment paving) consisting of 12 units - \$192,383.75

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman, Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilman Binder, Dryden

Councilman Friedman moved that the Council adopt a resolution awarding the following contract:

AUSTIN ROAD COMPANY

- For construction of street improvements consisting of an asphaltic concrete level-up and overlay on Guadalupe Street from 29th Street to 45th Street - \$47,993.00

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman, Handcox

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilman Binder, Dryden

ENGINEERING TESTING SERVICES

Councilman Friedman moved that the Council select Trinity Engineering Testing Corporation for engineering testing services in connection with the following Capital Improvements Program project:

Brackenridge Hospital Expansion Phase 2A. (Capital Improvements Program Project No. 8410 2.)

The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Mayor Butler, Councilmen Friedman, Handcox, Lebermann

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

PROFESSIONAL ENGINEERING SERVICES

Councilman Friedman moved that the Council select Hale & Associates for professional engineering services for the following 1974 Capital Improvements Program project for the Public Works and Water and Wastewater Departments:

Blackshear Improvement Project. (Capital Improvements Program Project Nos. 6215 5, 4011 5, and 5021 5.)

The motion, seconded by Councilman Lebermann, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

INSTALLATION OF WATER MAINS

Councilman Friedman moved the Council adopt a resolution authorizing the City Manager to enter into a license agreement with the Southern Pacific Transportation Company to install a 12-inch water main at Mile Post 110.43 in Austin, Texas. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

Councilman Friedman moved the Council adopt a resolution authorizing the City Manager to enter into a license agreement with the Missouri-Kansas-Texas Railroad Company to install a 12-inch water main at Mile Post U-951.04 in Austin, Texas. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

CONTRACT FOR TECHNICAL STUDIES FUNDS

Councilman Friedman moved that the Council adopt a resolution authorizing the City Manager to enter into a contract with the Capital Area Planning Council for receipt of \$93,312.00 of Technical Studies Funds (Project TX-09-0021) from the Urban Mass Transportation Administration. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

CONSULTANT FOR TRANSPORTATION TECHNICAL STUDY

Councilman Lebermann moved that the Council adopt a resolution selecting Alan M. Voorhees & Associates, Inc., as the consultant for Transportation Technical Study (Urban Mass Transportation Administration Project #TX-09-0021) for development and analysis of public transportation system alternatives for the Austin Metropolitan Area. The motion, seconded by Councilman Friedman, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

ACQUISITION OF LAND FOR WEST 38TH STREET

Councilman Friedman moved that the Council adopt a resolution authorizing the acquisition of 1100-1104 West 38th Street (Somerset Investments) for widening West 38th Street. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

ACQUISITION OF LAND FOR GIVENS PARK PROJECT

Councilman Friedman moved that the Council adopt a resolution authorizing the acquisition of 4001-4011 East 12th Street (Odas Jung) for the Givens Park Project. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Friedman, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

CONTRACT FOR GENERAL REVENUE SHARING FUNDS

Councilman Friedman moved that the Council adopt a resolution authorizing the City Manager to enter into a contract with Big Brothers of Austin for General Revenue Sharing Funds in the amount of \$1,570.00. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Friedman
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

GRANT FOR COMMUNITY ACTION PROGRAM

Councilman Friedman moved that the Council adopt a resolution authorizing the City Manager to accept a grant of \$72,758.00 from the Office of Economic Opportunity for the operation of the Community Action Program through August 31, 1974. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Friedman
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

MEDICARE REIMBURSEMENT FOR HEALTH AGENCY SERVICES

Councilman Friedman moved that the Council adopt a resolution authorizing the City Manager to apply for Medicare reimbursement for the cost of Home Health Agency Services provided by the Austin-Travis County Health Department at the rate of \$13.94 per visit. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Friedman
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

CHANGE ORDER FOR STREET IMPROVEMENTS

Councilman Friedman moved that the Council adopt a resolution approving a change order in the amount of \$25,246.58 for the street improvements in Georgian Drive from Anderson Lane (U.S. Highway 183) to Wonsley Drive and the deletion of electrical pull boxes in other streets. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Friedman
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

HEARING SET ON WEST 9TH AND 10TH STREETS

Councilman Handcox moved that the Council set a public hearing for 1:00 p.m. on July 18, 1974, on the extension of West 9th Street and the widening of West 10th Street. The motion, seconded by Councilman Friedman, carried by the following vote:

Ayes: Councilman Lebermann, Mayor Butler, Councilmen Friedman, Handcox
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Dryden

APPEAL OF TEAGUE BUDA'S SPECIAL PERMIT

It was noted that consideration of a date for a public hearing on an appeal of the Planning Commission's decision to grant Teague Buda a Special Permit was before the Council. Mr. Al Simmons, Brooks, Barr, Graeber, and White, Architects (representing Teague Buda), appeared requesting that this be scheduled for July 25 as opposed to July 18 in that some of Teague Buda's representatives would be out of town on July 18. Therefore, Councilman Lebermann moved that the Council set a public hearing for 1:00 p.m. on July 25, 1974, on an appeal by Mr. and Mrs. Howard L. Long of the Planning Commission's decision to grant Teague Buda a Special Permit (Case No. C3-74-004). The motion, seconded by Councilman Friedman, carried by the following vote:

Ayes: Mayor Butler, Councilmen Friedman, Handcox, Lebermann

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Dryden

It was requested that Mr. and Mrs. Long be notified of the changed date.

LETTER OF AGREEMENT

Consideration of a letter of agreement with the Lower Colorado River Authority for the purchase of additional natural gas was before the Council. Mr. R. L. Hancock, Director of Electric Utility, stated that the agreement would provide for a sharing agreement on a package of gas that came available to Austin through L.C.R.A. with Texas Oil and Gas; and the agreement would provide for the collection, treating, compressing and delivery of gas to Lo-Vaca's lines in the general Abilene area. He added that the agreement would provide for a take or pay obligation on the part of Austin and San Antonio with a delayed call on the gas by the L.C.R.A. He stated that it was anticipated that approximately 20 million cubic feet would be available under this agreement and that currently wells were shut in in the area. He noted that an agreement had been made with Lo-Vaca to transport the gas at a cost of 9.6¢ per million BTU.

Councilman Lebermann moved that the Council adopt a resolution authorizing the authority to execute a gas sharing agreement with the Lower Colorado River Authority. The motion, seconded by Councilman Dryden, carried by the following vote:

Ayes: Councilmen Dryden, Handcox, Lebermann, Mayor Butler

Noes: None

Absent: Mayor Pro Tem Love

Not in Council Chamber when roll was called: Councilmen Binder, Friedman

CONTRACT FOR EDUCATIONAL SERVICES

Councilman Dryden moved that the Council adopt a resolution authorizing the City Manager to enter into a contract with the Texas Education Agency for educational services in the amount of \$114,034.00. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Dryden, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder,
Friedman

CONTRACT FOR JOB PLACEMENT AND CONTRACT ASSISTANCE

Councilman Dryden moved that the Council adopt a resolution authorizing the City Manager to enter into a contract with the Texas Employment Commission for job placement and on-the-job training contract assistance in the amount of \$28,596.00. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Dryden, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder,
Friedman

CONTRACT FOR ADMINISTRATION OF RURAL COMPONENTS

Councilman Dryden moved that the Council adopt a resolution authorizing the City Manager to enter into a contract with the Williamson-Burnet County Opportunities Incorporated for administration of the rural components of the Manpower Training Program in the amount of \$946,572.00. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Dryden, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder,
Friedman

CONTRACT FOR SUMMER EMPLOYMENT OPPORTUNITIES

Councilman Dryden moved that the Council adopt a resolution authorizing the City Manager to enter into a contract with the Rent-A-Kid Program for summer employment opportunities for disadvantaged youth in the amount of \$6,859.00. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Dryden, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder
Friedman

CASH SETTLEMENT

Councilman Handcox moved that the Council adopt a resolution authorizing a cash settlement as follows:

UNDERWOOD'S BAR-B-Q CAFETERIAS, Morris G. Underwood, Partner - for 60%/40% cash settlement for wastewater main extension for Lot 6B-1, Resubdivision of Lot 6 Austin Mall. Total cost - \$3,560.00. City's share at 60% - \$2,136.00. Owner's share at 40% - \$1,424.00

The motion, seconded by Councilman Lebermann, carried by the following vote:

Ayes: Councilmen Dryden, Handcox, Lebermann, Mayor Butler
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Friedman

APPROACH MAIN CONTRACTS

Mayor Butler brought up the following ordinance for its first reading:

AN ORDINANCE AUTHORIZING THE CITY MANAGER OR THE DEPUTY CITY MANAGER TO ENTER INTO CERTAIN REFUND CONTRACTS WITH GEORGE CLICK AND NORTHWEST JOINT VENTURE. (Click Acres Subdivision; H.S.R. Subdivision)

The ordinance was read the first time, and Councilman Dryden moved that the ordinance be passed to its second reading. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Dryden
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Friedman

REFUND CONTRACTS - FIRST READINGS

Mayor Butler brought up the following ordinance for its first reading:

AN ORDINANCE AUTHORIZING THE CITY MANAGER OR THE DEPUTY CITY MANAGER TO ENTER INTO CERTAIN REFUND CONTRACTS WITH GEORGE CLICK; DAVIS-WEBB, INCORPORATED AND BUILDING ENTERPRISES, INCORPORATED; BILL MILBURN; AND NORTHWEST JOINT VENTURE. (Click Acres; Cooper Oaks, Section 1; Vintage Hills, P.U.D.; H.S.R. Subdivision)

The ordinance was read the first time, and Councilman Dryden moved that the ordinance be passed to its second reading. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Dryden
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder, Friedman

REFUND CONTRACTS - SECOND READINGS

Mayor Butler brought up the following ordinance for its second reading:

AN ORDINANCE AUTHORIZING THE CITY MANAGER OR THE DEPUTY CITY MANAGER TO ENTER INTO CERTAIN REFUND CONTRACTS WITH WALTER CARRINGTON BUILDER, INCORPORATED, AND CLEAR CREEK PROPERTIES, INCORPORATED. (The Park at Battle Bend Springs; South Creek South, Section 2)

The ordinance was read the second time, and Councilman Dryden moved that the ordinance be passed to its third reading. The motion, seconded by Councilman Handcox, carried by the following vote:

Ayes: Councilmen Handcox, Lebermann, Mayor Butler, Councilman Dryden
Noes: None
Absent: Mayor Pro Tem Love
Not in Council Chamber when roll was called: Councilmen Binder,
Friedman

CAPITAL IMPROVEMENTS PROGRAM

City Manager Davidson submitted to the Council for consideration the 1974-1979 Capital Improvements Program as submitted by the Planning Commission and reviewed by the staff. In addition to the proposal, he pointed out that the Council might care to schedule work sessions in early August. In response to Councilman Lebermann's question, Mr. Davidson indicated that he did not have a recommended schedule of the Capital Improvements Program but would be pleased to prepare one. Mr. Davidson added that copies of the proposed Capital Improvements Program were being placed on file at each municipal library. Councilman Lebermann further requested that Mr. Bill Snyder, Capital Improvements Administrator, prepare a review since 1971 of what Capital Improvements Program projects have been begun, which have been completed, and which have been postponed and if so, for what reason. He felt that this would be useful to give the Council a total perspective of where the City has been and where it is going.

PROCEDURE FOR HANDLING ALLEGED POLICE MISCONDUCT

At this point Mayor Butler submitted copies of a letter he had just received from St. Julia Church in response to a program on which he had been working and on which he had been conducting neighborhood meetings. He therefore requested that the procedure for handling alleged police misconduct be placed on the agenda for July 11, 1974, at 1:00 p.m.

AFFIRMATIVE ACTION PROGRAM POLICY

It was noted that Councilman Handcox was scheduled to present his Affirmative Action Program Policy; however, he asked for a postponement on this matter, noting that the City Manager and staff were working on a proposal, and he did not want to have a lot of duplication of effort by submitting two plans. He asked that this be discussed at a later date.

ZONINGS SET FOR PUBLIC HEARING

The City Manager reported that the following zoning applications had been referred to the Planning Commission for recommendation and had been set for public hearing on August 1, 1974:

WALTER WUKASCH By Ben Smylie C14-74-086	600 West 19th Street 1900 Nueces Street	From "C" Commercial To "C-2" Commercial
PHIL MOCKFORD, TRUSTEE C14-74-087	4629-4813 Manor Road	From "B" Residence To "O" Office
ROCKY HERNANDEZ By Rudy Hernandez C14-74-088	5409 Wasson Road	From "A" Residence To "C" Commercial
JAMES K. EICHELBERGER, JR. C14-74-089	6801-6811 North Lamar Boulevard 704-724 Raymond Street	From "D" Industrial To "C-2" Commercial
JAMES K. EICHELBERGER, JR., ET AL C14-74-090	7115 Burnet Road	From "GR" General Retail 1st Height and Area and "GR" General Retail 6th Height and Area To "C-2" Commercial 1st Height and Area and "C-2" Commercial 6th Height and Area
SAMUEL E. DUNNAM By Roger S. Hanks C14-74-091	701-711 West 19th Street 1808-1810 Rio Grande Street 1809-1811 West Avenue	From "O" Office To "GR" General Retail
J. B. MOCK C14-74-092	624 Radam Lane	From "A" Residence To "C" Commercial
EDMUND A. GREBER By Martin H. Boozer, Jr. C14-74-093	708-800 South First Street	From "A" Residence To "B" Residence
BRUNO MILBURN By Sharon Killey C14-74-094	4312-4314 Marathon Boulevard 1101-1103 West 44th Street	From "A" Residence To "O" Office
ROBERT PETTUS and REGINA OCHOA By Joe D. Stokes, III C14-74-095	1606 West Avenue 801-805 West 17th Street	From "A" Residence To "O" Office

H. C. CARTER, JR., TRUSTEE By Robert L. Davis C14-74-096	1200-1206 West 38th Street 1201-1209 West 39th Street	From "A" Residence, "O" Office and "LR" Local Retail To "LR" Local Retail
ALVIN J. RICLES By Douglas Hearne C14-74-097	6023-6205 South I. H. 35	From "A" Residence To "GR" General Retail
THE MOST REVEREND VINCENT M. HARRIS By John B. Selman C14-74-098	3104-3108 Edgedale Drive 5900-5908 Reicher Drive	From "A" Residence To "B" Residence
WINNIE BROOKS, ET AL By U. F. Jackson C14-74-099	3716-3818 Garden Villa Lane 1000-1116 Banister Lane	From "A" Residence To "O" Office
GOV. ALLAN SHIVERS, JOHN SHIVERS and C. McADEN By Dan Felts C14-73-246	5300-5306 Joe Sayers Avenue 1500-1504 North Loop Boulevard	From "B" Residence 1st Height and Area To "LR" Local Retail 2nd Height and Area (as amended)
BILLIE L. PASSMORE By James B. Polkinghorn C14-74-046	1114 Robert E. Lee Road	From "A" Residence To "BB" Residence
EDWARD P. GIESECKE By Martin Boozer, Jr. C14-74-083	1815-1817 Waterston Avenue	From "A" Residence 1st Height and Area To "B" Residence 2nd Height and Area
URBAN RENEWAL AGENCY By Paul D. Jones C14-74-084	2900-2910 Glen Oaks Drive (Conway Street) 900-1006 Neal Street 3001-3005 Hargrave Street 1001-1011 Pleasant Valley Road	From "A" Residence To "O" Office
J. B. FORD, ET AL By Robert C. Sneed C14-74-085	2304-2624 William Cannon Drive (Tract 1) 2505-2625 William Cannon Drive (Tract 2)	From Interim "A" Residence 1st Height and Area To "BB" Residence 1st Height and Area

PLANNED UNIT DEVELOPMENT APPLICATIONS

CLARKE-FRATES CORP-
ORATION
By Newell Boughton,
Jr.
C814-72-014

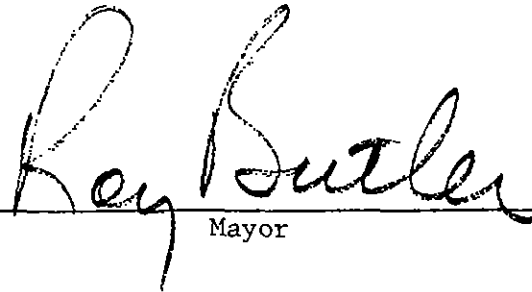
Mesa Drive and
Myrick Drive

Revision to a portion of a
previously approved P.U.D.
which includes the removal
of a proposed public street
along the west side (west of
Mesa Drive) and the addition
of five (5) dwelling units

ADJOURNMENT


The Council adjourned at 4:25 p.m.

APPROVED



Mayor

ATTEST:



City Clerk